

PART A. THE GINNIE MAE DOCUMENT CUSTODIAN'S ROLE

The primary role of the document custodian is to make required pool certifications and maintain physical and custodial control of required pool and loan documents. These activities are performed on behalf of Issuers, Ginnie Mae and security holders for the life of the pooled mortgages, or until its custodial responsibilities are transferred by the Issuer to another document custodian or otherwise terminated.

The document custodian is required to certify to Ginnie Mae that the loans constituting the pools of mortgages (as collateral for Ginnie Mae securities) are represented by the documents placed in the document custodian's control. The document custodian performs this function through a process of pool certifications and recertifications. Custodial guidelines for the certification and recertification processes are described generally in [Chapter 11](#) and [Chapter 13](#) of the Guide. Exceptions and additional requirements, if any, for particular pool types are described in [Chapters 24 through 35](#) of the Guide.

The document custodian works under direct contract with the Issuer, but has a fiduciary responsibility to Ginnie Mae. While an Issuer may utilize more than one document custodian, each pool is required to have only one document custodian.

Because an Issuer is ultimately responsible for the safekeeping of Ginnie Mae custodial documents at all times, Ginnie Mae holds the Issuer responsible for any and all losses incurred because the document custodian fails to perform its fiduciary responsibilities. However, with respect to any specific loss Ginnie Mae may incur because of the absence of, or a defect in, a particular document, Ginnie Mae also has the right to be made whole by the document custodian if it breaches its fiduciary obligations to Ginnie Mae with respect to the mortgages involved in the loss. Therefore, Ginnie Mae expects the Issuer to establish appropriate methods of monitoring the financial viability and operational capabilities of any document custodian it uses to hold custodial documents for Ginnie Mae.

PART B. THE MASTER CUSTODIAL AGREEMENT

The Issuer of a pool must obtain the services of an eligible custodial institution to hold all required documents relating to pools that serve as collateral for Ginnie Mae securities. The document custodian is required to perform its duties on behalf of Issuers, security holders and Ginnie Mae for the life of each pool or, with Ginnie Mae's prior written approval, until its custodial responsibilities are transferred by the Issuer, or by Ginnie Mae, to another document custodian or otherwise terminated. It is the responsibility of the Issuer to select an eligible document custodian and enter into a Master Custodial Agreement, form [HUD-11715](#) ([Appendix III-4](#)) ("form HUD 11715") for the submission of pools to the Pool Processing Agent ("PPA") for securities issuance.

By January 1 of each year, the Issuer and document custodian must execute a renewal form [HUD-11715](#) which the Issuer must submit to the PPA, or else indicate to the PPA that no changes have been made to the existing agreement. The document custodian has no responsibility to verify that the renewal form [HUD-11715](#) was submitted by the Issuer to the PPA, or that the Issuer indicated that no changes were made to the existing agreement.

The form [HUD-11715](#) sets forth the role of both the Issuer and the document custodian in the Ginnie Mae Program. Once completed, form [HUD-11715](#) covers all pools held by the custodian for an Issuer.

The document custodian negotiates all compensation for the performance of its custodial duties directly with the Issuer as stipulated in the form [HUD-11715](#). The Issuer is responsible for paying custodial fees to the document custodian. Ginnie Mae has no obligation to pay any compensation to document custodians for services rendered.

Pursuant to the form [HUD-11715](#), Ginnie Mae recognizes the document custodian as an agent of the Issuer. As the holder of collateral documents for Ginnie Mae securities, the document custodian's primary responsibilities are:

- Physical safekeeping of pool and loan documents;
- Certifying the completeness and consistency of the required pool and mortgage documents; and
- Maintaining physical and custodial control over the release and transfer of pool and loan documents.

PART C. SAFEKEEPING REQUIREMENTS

The document custodian is required to protect the pool and loan documents in its physical custody. Ginnie Mae requires the document custodian to take reasonable precautions to protect the documents from theft, misplacement, fire, or other calamity.

To fulfill this safekeeping obligation, the document custodian is required to store the documents in a secure, fire-resistant facility and to develop and enforce procedures that:

- Prevent unauthorized access to the documents; and
- Maintain control over all documents received.

Required insurance coverages, fire protection standards and other requirements are presented in Chapters 2 and 7 of this Manual.

PART D. CERTIFICATION PROCESS

There are four different types of loan programs that may be pooled as collateral for Ginnie Mae securities. These programs are administered and insured by the Federal Housing Administration (FHA), guaranteed by the Department of Veterans Affairs (VA), guaranteed by the Rural Housing Service (RHS), or guaranteed by the Secretary under Section 184 of the Housing and Community Development Act of 1992. Section 184 loans are administered by the Office of Public and Indian Housing (PIH), and include single family home mortgages, manufactured home loans, multifamily construction loans, project loans, and HECM loans.

Note, however, that only the single family loan pools, manufactured home loan pools, and HECM loan pools require both initial and final certifications. Construction loan pools and project loan pools do not require separate initial and final certifications. Instead, only the single certification made prior to the security issuance is required.

The document custodian is required to formally certify that the documents in its control completely represent the related loans and pools in accordance with Ginnie Mae requirements, and are consistent with the Schedule of Pooled Mortgages, form [HUD-11706](#) or form HUD- 11706H ([Appendix III-7](#) of the Guide) ("form HUD- 11706").

The document custodian's certification, denoted on the back of the last page of the form [HUD-11706](#), provides Ginnie Mae with assurance that all required documents:

- Have been received;
- Are in compliance with Ginnie Mae requirements; and
- Are both complete and consistent.

The document custodian is required to review the pool submission for missing, incomplete, or inconsistent documents. If defective documents are identified, the document custodian is required to notify the Issuer in a timely manner. It is the Issuer's responsibility to correct and/or resolve any defects identified by the document custodian or to provide the document custodian with adequate clarification for those defects that are not considered material. This responsibility continues for the life of the pool

or until the pool is transferred to a new Issuer. The document custodian is responsible for verifying that all necessary corrections have been made by the Issuer before certifying any loan or pool.

In providing pool certifications, the document custodian acknowledges receipt of all required documents and certifies that the documents meet the standards as set forth in this Manual and in the Guide. In so doing, they are attesting that the documents are comparable, complete and consistent. For example, a marketable title is one that, while not completely clear, has only minor objections that would not jeopardize the validity of the lien, and that a well informed and prudent buyer of real estate would accept. Adherence to the standards set forth in this Manual provides a level of assurance as to the marketability of documents under the document custodian's control. Document custodians who fail to comply with standards communicated in this Manual jeopardize the marketability of the documents in their control and may be found in violation of the intent of the custodial requirements of the Ginnie Mae MBS program, as well as their respective forms [HUD-11715](#).

PART E. CERTIFICATION TIME LIMITATION

All initial certifications under the single family, manufactured home, and HMBS programs must occur before securities are issued. Final certifications under the multi-family program for construction and project loan pools must occur before the securities are issued.

Final certification for single family, manufactured home, and HMBS pools must be completed within twelve (12) months of the date of security issuance. A pool may be transferred, with Ginnie Mae prior approval, to a new document custodian before final certification, but such transfer does not extend the final certification deadline.

When a pool that has received final certification is transferred via a transfer of document custodian or Issuer responsibility, the pool must be recertified within twelve (12) months of the date of transfer.

An Issuer may transfer its Issuer responsibilities for some or all of the pools it services, provided that the transfer has been approved in writing by Ginnie Mae prior to the transfer. The following rules govern the eligibility of pools to be transferred. A pool may not be transferred if any of the following conditions exist:

- Approval has not been granted by Ginnie Mae prior to the transfer (confirmation will be provided through *GinnieNET* to both document custodians involved in the transfer process);
- The pool has an issue date more than twelve (12) months prior to the effective transfer date, and has not yet received final certification;
- The issue date of the pool is less than 30 days before the effective date of the transfer, except in the case of immediate pool and loan package transfers;
- The effective date of the proposed transfer is less than 180 days from the date of its last transfer; or
- The pool was finally certified and subsequently transferred, but not yet recertified.

PART F. CONTROL OF DOCUMENTS

The document custodian is required to retain all pool-related documents for a single pool in one permanent storage location, as identified by the address of record on file with Ginnie Mae. The document custodian is required to permit representatives of the Issuer or Ginnie Mae (including Ginnie Mae's designees) to inspect any documents relating to pools under the document custodian's control. The Issuer may request removal of individual loan documents or an entire loan file by sending the document custodian, either in hard copy or electronically, a completed Request for Release of Documents, form [HUD-11708](#) ([Appendix V-05](#) of the Guide) ("form HUD-11708"). For a more detailed description of requirements for loan and document filing, removal and transfers, see [Chapter 7](#) of this Manual.

PART G. HUD FORMS AND OTHER POOL DOCUMENTS

In its fiduciary role, a Ginnie Mae document custodian is required to accept, review, and maintain various types of documents (including required HUD forms) relating to the pools of mortgages supporting the Mortgage-Backed Securities. It is also the responsibility of the Issuer to fully and accurately complete required forms before delivery to the document custodian. It is the responsibility of the Issuer to provide the document custodian with a current Resolution of Board of Directors and Certificate of Authorized Signers, form [HUD-11702](#) ([Appendix I-2](#) of the Guide) (“form HUD-11702”) listing those officers authorized to execute the appropriate loan and pool documents. If a document custodian discovers pool documents to be incomplete or otherwise deficient, it must return, on a timely basis, the documents to the Issuer for correction. **It is important to note that while the Issuer may authorize the document custodian to make corrections on the documents, Ginnie Mae ultimately holds the Issuer responsible for the quality of those documents.**

All executed HUD forms must be filed in a specific Issuer Master File or Pool Master File for each pool.

[Chapter 13](#) of the Guide generally describes the documents required for pool issuance. The individual program Chapters, [Chapters 24 through 35](#) in the Guide, describe exceptions and additional documents, if any, that are required for the issuance of particular pool types.

Documents referred to in this Manual and identified by the term “form HUD” are included as Appendices in the Guide. They may be found on the Ginnie Mae website at www.ginniemae.gov.